

# Suggested Guiding Principles for Board Action

The Board proposes the following statements for the purpose of precipitating discussion of ways the Board can accomplish its goal of expanding the economic base of agriculture in Kentucky.

1. The Board can expect to receive approximately \$60 million per year for the foreseeable future. Therefore, the Board must view its options and actions over the long run.
2. The Board cannot solve all the problems or take advantage of all opportunities presented to it at once.
3. The Board should invest in programs on a pilot basis to prove or disprove the advisability of promoting a particular program statewide.
4. Over the next two years, the board should focus on facilitating success in areas with the potential to reach the most farmers.
5. Pilot programs should be large enough to be commercially viable. The emphasis must be on doing what we do well.
6. This may mean that pilot programs will be limited to a certain geographical area of the state until they are proven viable and then expanded to all the state as funds become available.
7. The Board believes that clusters of a particular type of activity large enough to be economically viable and support the infrastructure necessary for the success of the program offers the best opportunity to develop new or better self-sustaining agriculture activity.
8. The Board believes that farmer-owned cooperatives will be an important vehicle to promote and sustain new and/or improved farm activity.
9. The Board will consider proposals submitted by individuals that have high potential for growth and potential to include other farmers in the future.
10. An emphasis for county programs should be the support of the on-farm investment in Board program areas.
11. Counties should be encouraged during the planning process to consider plans that generally follow the following investment philosophy:

The Kentucky Agricultural Development Board will invest monies from the Kentucky Agricultural Development Fund in innovative proposals that increase net farm income and effect tobacco farmers, tobacco-impacted communities and agriculture across the state through stimulating markets for Kentucky agricultural products, finding new ways to add value to Kentucky agricultural products, and exploring new opportunities for Kentucky farms and farm products.
12. The first priority for state funds will be the support of the cooperative portions of the investment in the program.
13. The Board may provide some support for on-farm investments in cooperation with a county council.

14. The object of the board is to develop self-sustaining programs. Therefore, the Board will not support long-term subsidy of production.
15. The Board prefers capital investments. However, the Board will consider temporarily subsidizing operating costs provided the business plan provides for the phase out of the subsidy.
16. The board believes that processing, storing and marketing new products is the area where the farmer needs a substantial amount of help on a start-up basis, but business plans must provide for the eventual elimination of assistance in these areas.
17. The Board will consider proposals to enhance existing farm products, the production of new farm products, and expansion of existing markets.
18. Possible areas of improvements in the production of existing farm products include:
  - A. Forage-based production
    - i. Beef Cattle
    - ii. Dairy
    - iii. Equine
    - iv. Cash forages
  - B. Horticulture
  - C. Tobacco
  - D. Cash Grains
  - E. Other livestock: swine, poultry
  - F. Wood products
  - G. And any other area identified by a member or members of the board as having potential for growth.
19. Possible new farm product areas include:
  - A. Aquaculture
    - i. Shrimp
    - ii. Trout
    - iii. Catfish
    - iv. Paddlefish
    - v. Bass
  - B. Specialty livestock, like meat and dairy goats
  - C. Grapes, wine
  - D. And other areas identified by a member or members of the board as having potential for growth.
20. Other areas of Board activity should include:
  - A. Support for Cooperative Development
  - B. Support for developing agricultural entrepreneurship
21. The board should define as a priority its commitment to support the work of the agricultural entrepreneurship program and the Cooperative Development Center in their provision of financial support for technical feasibility assistance. This commitment should include staffing, operations, and matching-funds for technical feasibility studies.

The “Suggested Guiding Principles for Board Action” was approved by the Phase I Agricultural Development Board in September 2000.